

Harmonized Ethical Standards: The New USPTO Rules of Professional Conduct



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Disciplinary Jurisdiction

- Who is subject to the Disciplinary Jurisdiction of the USPTO?
 - Certain Practitioners.
- 37 CFR § 11.1: Practitioner means:
 - (1) An attorney or agent registered to practice before the Office in patent matters,
 - (2) An individual authorized under 5 U.S.C. 500(b), or otherwise as provided by § 11.14(a), (b), and (c), to practice before the Office in trademark matters or other non-patent matters, or
 - (3) An individual authorized to practice before the Office in a patent case or matters under § 11.9(a) or (b).



Disciplinary Jurisdiction (*cont'd*)

- 37 CFR § 11.19 Disciplinary jurisdiction; Jurisdiction to transfer to disability inactive status.
 - All practitioners engaged in practice before the Office;
 - All practitioners administratively suspended;
 - All practitioners registered to practice before the Office in patent cases;
 - All practitioners inactivated;
 - All practitioners authorized under § 11.6(d) to take testimony;
 - All practitioners transferred to disability inactive status; and reprimanded, suspended, or excluded from the practice of law by a duly constituted authority, including by the USPTO Director.
 - Any person who provides or offers to provide legal services before the Office.



Disciplinary Jurisdiction (cont'd)

- Practice Before the Office – See 37 CFR § 11.5(b).
 - “Practice before the Office includes, but is not limited to, law-related service that comprehends any matter connected with the presentation to the Office or any of its officers or employees relating to a client's rights, privileges, duties, or responsibilities under the laws or regulations administered by the Office for the grant of a patent or registration of a trademark, or for enrollment or disciplinary matters.”
 - “Such presentations include preparing necessary documents in contemplation of filing the documents with the Office, corresponding and communicating with the Office, and representing a client through documents or at interviews, hearings, and meetings, as well as communicating with and advising a client concerning matters pending or contemplated to be presented before the Office.”



Disciplinary Jurisdiction (*cont'd*)

- 37 CFR § 11.5(b)(2)
 - “*Practice before the Office in trademark matters includes, but is not limited to, consulting with or giving advice to a client in contemplation of filing a trademark application or other document with the Office; preparing and prosecuting an application for trademark registration; preparing an amendment which may require written argument to establish the registrability of the mark; and conducting an opposition, cancellation, or concurrent use proceeding; or conducting an appeal to the Trademark Trial and Appeal Board.*” (emphasis added)



Disciplinary Jurisdiction (*cont'd*)

- Practitioners are subject to discipline for not complying with USPTO regulations, regardless of whether their conduct was related to practice before the Office:
 - Patent attorney reprimanded for litigation misconduct, i.e., filing and arguing a frivolous appeal and misstating district court record. 37 CFR §§10.23(b)(4)(misrepresentation) and (b)(5)(conduct prejudicial to the administration of justice). See *In re Allen Brufsky*, Proceeding No. D09-09 (May 6, 2009); see also *In re Kevin Imes*, Proceeding No. D09-45 (March 15, 2011)(suspended for 3 months for engaging in malicious prosecution and abuse of process).
 - Patent agent excluded upon consent for misappropriation of non-profit organization's funds and use of organization's credit card for personal use. 37 CFR §§10.23(a) and (b)(3),(4), (6). See *In re George Reardon*, Proceeding No. D2012-19 (June 4, 2012).



USPTO Rules of Professional Conduct

- Final Rule for new USPTO Rules of Professional Conduct published on **April 3, 2013**:
 - 78 Federal Register 20179.
 - Effective Date: **May 3, 2013**.
- 37 CFR §§ 11.101-901, and other provisions.
- Old rules (37 CFR Part 10) apply to activity prior to effective date.
- See OED Resource page for more information:
<http://www.uspto.gov/ip/boards/oed/ethics.jsp>



USPTO Rules of Professional Conduct (*cont'd*)

- New ethics rules based on ABA Model Rules of Professional Conduct.
- Provides attorneys with consistent, updated professional conduct standards throughout the Nation.
- ABA Model Rules form the basis for ethics rules in 51 U.S. jurisdictions – California is the only state exception.



USPTO Rules of Professional Conduct: Crosswalk

ABA Model Rules of Professional Conduct	USPTO Rules of Professional Conduct
political contributions for the purpose of obtaining or being considered for that type of legal engagement or appointment.	
<p>Rule 8.1 Bar Admission And Disciplinary Matters</p> <p>An applicant for admission to the bar, or a lawyer in connection with a bar admission application or in connection with a disciplinary matter, shall not:</p> <p>(a) knowingly make a false statement of material fact; or</p> <p>(b) fail to disclose a fact necessary to correct a misapprehension known by the person to have arisen in the matter, or knowingly fail to respond to a lawful demand for information from an admissions or disciplinary authority.</p>	<p>§ 11.801 Registration, recognition and disciplinary matters.</p> <p>An applicant for registration or recognition to practice before the Office, or a practitioner in connection with an application for registration or recognition, or a practitioner in connection with a disciplinary or reinstatement matter, shall not:</p> <p>(a) Knowingly make a false statement of material fact; or</p> <p>(b) Fail to disclose a fact necessary to correct a misapprehension known by the person to have arisen in the matter, fail to cooperate with the Office of Enrollment and Discipline in an investigation of any matter before it. or</p>

Modifications

Deletions



USPTO Rules of Professional Conduct: 37 CFR Part 11

- **Section 1:** Client – Practitioner Relationship – §§ 11.101-11.118.
- **Section 2:** Counselor – §§ 11.201, 11.203-204.
- **Section 3:** Advocate – §§ 11.301-11.307, 11.309.
- **Section 4:** Transactions with Persons Other Than Clients – §§ 11.401-11.404.
- **Section 5:** Law Firms and Associations – §§ 11.501-11.507.
- **Section 7:** Information About Legal Services – §§ 11.701-11.705.
- **Section 8:** Maintaining the Integrity of the Profession – §§ 11.801-11.804.
- **Savings Clause** – § 11.901.



USPTO Rules of Professional Conduct: Client-Practitioner Relationship

- New definition of “Fraud or Fraudulent” (§ 11.1).
 - Different from ABA Model Rule Definition.
 - No Definition in Old Disciplinary Rules (Part 10).
- 37 CFR § 11.101: Competence
- 37 CFR § 11.103: Diligence
- 37 CFR § 11.104: Communication



USPTO Rules of Professional Conduct: Client-Practitioner Relationship

- 37 CFR § 11.106 – Confidentiality of information.
- 37 CFR § 11.107 through 11.112 – Conflicts.
- Explicit References to Writings:
 - § 11.105: Scope of representation and fee terms: “preferably in writing.”
 - Required writings throughout, *e.g.*, §§ 11.107, 11.108, 11.109, 11.110, 11.112, 11.117. 11.118.



USPTO Rules of Professional Conduct: Safekeeping Property

- § 11.115 – Safekeeping property.
- Follows ABA Model Rules for Client Trust Account Records.
- *“Where the practitioner’s office is situated in a foreign country, funds shall be kept in a separate account maintained in that foreign country or elsewhere with the consent of the client or third person.”*
- Provides “Safe Harbor” provision which enables many practitioners to follow their local state rules.
- “Safe Harbor” for agents as well.



USPTO Rules of Professional Conduct: Advocate

- § 11.303 Candor Toward Tribunal
 - (a) Prohibitions against false statements/evidence.
 - (b) disclosure of criminal or fraudulent behavior
 - (c) Sections (a) and (b) apply even if information is protected by § 11.106.
 - (d) disclosure of material facts to tribunal in *ex parte* proceedings.
 - (e) Shall disclose information necessary to comply with Duty of Disclosure.



USPTO Rules of Professional Conduct: Law Firms and Associations

- Managerial Supervision of subordinates and non-practitioners.
 - § 11.501 Responsibilities of partners, managers, and supervisory practitioners.
 - § 11.502 Responsibilities of a subordinate practitioner.
 - § 11.503 Responsibilities regarding nonpractitioner.



USPTO Rules of Professional Conduct: Law Firms and Associations

- 37 CFR § 11.505 – Unauthorized Practice of Law
 - “*A practitioner shall not practice law in a jurisdiction in violation of the regulation of the legal profession in that jurisdiction, or assist another in doing so.*”
- 37 CFR § 11.507 Responsibilities regarding law-related services.



Unauthorized Practice of Law

- Filing and Prosecution of Applications
 - *People v. Corbin*, 82 P.3d 373 (Colo.O.P.D.J. 2003) – Suspended attorney engaged in practice of law by filing and prosecuting trademark applications. **Disbarred.**
- Trademark Opinion/Application
 - *People v. Harris*, 915 N.E.2d 103 (Ill. App. Ct. 2009) – Lapsed attorney rendered a trademark opinion while knowingly lacking the authority to practice law. **Criminal Conviction** (false impersonation of an attorney).



Unauthorized Practice of Law

- Non-Practitioner Assistants/Paralegals
 - *In re Jensen*, D2009-46 (2009) – Reprimanding attorney for aiding unauthorized practice of law when he knew and permitted service company employee to sign and file papers in trademark applications.
- Non-Practitioner Form Assistance
 - *Statewide Grievance Committee v. Goldstein*, 1996 WL 753092 (Conn.Super. 1996) – Business that selects and completes forms for *pro se* filings engages in the unauthorized practice of law.



Unauthorized Practice of Law: TM Filing Companies

- Example Questions From TM Filing Co's:
 - In which format are you seeking to register this Trademark?
 - What Word(s) are you seeking to Trademark?
 - Enter a brief description of your specific products or services.
 - Have you registered this exact trademark in a foreign country?
 - Have you already used the mark in interstate commerce?
 - Use in Commerce for goods is when goods are sold or transported in commerce.
 - Use in Commerce for services is when trademark is used or displayed in the sale or advertising of services.
 - If actual use of the mark in commerce has not yet occurred, indicate whether there is a bona fide intention to use the mark in commerce at a later time after filing of this application. The intention to use may be by the applicant, the applicant's related company, or the licensee of the applicant.



Unauthorized Practice of Law: TM Filing Companies

- Activities Constituting Practice of Law relating to “Form Services”
 - Advertising or offering to complete and completing blank legal documents in trademark or patent law.
 - Personal selection of legal forms for individual clients and advertising or offering personally selected legal forms in trademark or patent law.
 - Soliciting information from customers either orally or through the use of written questionnaires and using that information to select, prepare or complete legal documents.
 - Providing personal written and/or oral instructions to customers advising them what to do with their legal documents.



Unauthorized Practice of Law: Paralegals

- Paralegals cannot practice law, including:
 - Trying a case in court, or providing any legal opinions.
- A paralegal can, **under the direction of a lawyer:**
 - Research the availability of marks by accessing available databases or utilizing outside search firms.
 - Prepare appropriate applications and other registration documents.
 - Collect the necessary deposit materials and fees.
 - Research infringements.
 - Create and implement proper trademark use programs.
 - Be a team member in litigation, discovery and trial preparation.



Unauthorized Practice of Law: Supervision

- A supervising attorney must assure that a paralegal does not perform duties that only attorneys are permitted by law to perform.
- A supervising attorney must assure that the trademark paralegal does not accept cases, set fees, give legal advice, or appear in court unless such actions are authorized by local rules.
- A supervising attorney must assure that the trademark paralegal does not establish an attorney/client relationship with the client and should take regular steps to ensure that clients, an Examining Attorney or other persons with whom the trademark paralegal may be working are aware that such a relationship does not exist.
- A supervising attorney must assure that the trademark paralegal refrains from rendering independent legal judgment in the absence of an attorney.



Unauthorized Practice of Law: Prohibited Activities

- An individual who is not authorized to practice before the USPTO in trademark cases is not permitted to:
 - Prepare an application
 - Prepare a response, or other document to be filed in the USPTO
 - Sign amendments
 - Sign responses to Office actions
 - Sign petitions to the Director under 37 C.F.R. § 2.146
 - File requests to change the correspondence address
 - File letters of express abandonment
 - Authorize issuance of examiner's amendments.



Unauthorized Practice of Law: Examples

- Tom, a trademark paralegal working for a law firm, has provided services to Company A for several years. Representatives of Company A often call him directly with questions and issues. Tom is careful to keep the attorney who has the relationship with Company A fully aware of everything that he is asked to do. Can Tom provide Company A with legal advice?
- Joanne, a trademark paralegal, works for a trademark prosecution attorney at a large law firm. As part of her daily responsibilities, Joanne handles telephone calls for the attorney relating to trademark matters. One day Joanne receives a telephone call from a Trademark Examining Attorney. The Trademark Examining Attorney proposes a minor amendment that would place a pending trademark application in publishable condition. Can Joanne agree to the amendment?



Unauthorized Practice of Law: Examples

- Matt, a senior trademark paralegal at a large urban law firm, is instructed to prepare an application for registration of a trademark on an expedited basis, a task that he has performed innumerable times previously. He prepares the application and forwards it to the client for signature. When the application is returned from the client, he prepares an application transmittal letter for review and signature by a supervising attorney.
- Can Matt file the application without the attorney reviewing the application?



Reporting Suspected Misconduct

- Obtain information regarding suspected misconduct, *e.g.*:
 - Identifying information.
 - Activities constituting practice before the Office.
- Report to manager/senior official.
- Manager ➡ TM Administration ➡ OED.



USPTO Rules of Professional Conduct: Maintaining the Integrity of the Profession

- § 11.801 Registration, recognition and disciplinary matters
 - Preserved current standards
- Explicitly recites Duty to Cooperate with OED
 - Duty to cooperate was previously present in 37 CFR 10.131.



USPTO Rules of Professional Conduct: Maintaining the Integrity of the Profession

- § 11.804 Misconduct

* * *

- (b) Criminal acts that reflect adversely on honesty, trustworthiness, or fitness to practice.
- (c) Conduct involving dishonesty, fraud, deceit or misrepresentation.
- (d) Conduct that is prejudicial to the administration of justice

* * *

- **(h) Reciprocal discipline**
- (i) Other Conduct that adversely reflects on fitness to practice.



USPTO Rules of Professional Conduct: Savings Clause

- § 11.901 Savings Clause
 - *“(a) A disciplinary proceeding based on conduct engaged in prior to the effective date of these regulations may be instituted subsequent to such effective date, if such conduct would continue to justify disciplinary sanctions under the provisions of this part.”*
 - *“(b) No practitioner shall be subject to a disciplinary proceeding under this part based on conduct engaged in before the effective date hereof if such conduct would not have been subject to disciplinary action before such effective date.”*



Sources of Grievances Against Practitioners

- An investigation may be initiated pursuant to information from any source suggesting possible grounds for discipline.

37 CFR § 11.22(a).

- External to USPTO
 - Clients, Colleagues, Others
- Internally within USPTO
 - Patent Corps, Trademark Corps, Other
- Other
 - Published Decisions, News Articles



Three Types of Disciplinary Complaints

- 1) Predicated on “probable cause” determination by Committee on Discipline (COD) after Committee convenes. 37 CFR §11.32.
- 2) Reciprocal discipline. 37 CFR §11.24.
- 3) Interim Suspension based on conviction of a serious crime. 37 CFR §11.25.



Complaint – “Probable Cause”

Four steps precede the filing of a complaint based on a “probable cause” finding by the COD:

1. Preliminary screening of allegations;
2. Requesting information from practitioner;
3. Conducting investigation after providing practitioner an opportunity to respond; and
4. Submitting complaint to COD for “probable cause” determination.



Potential Post-Investigation Outcomes

- Upon completion of the investigation, OED may:
 - Close the investigation without further action;
 - Issue a warning;
 - Enter into a proposed settlement agreement; or
 - Convene the COD to determine whether there is “probable cause” to file a disciplinary action against practitioner.



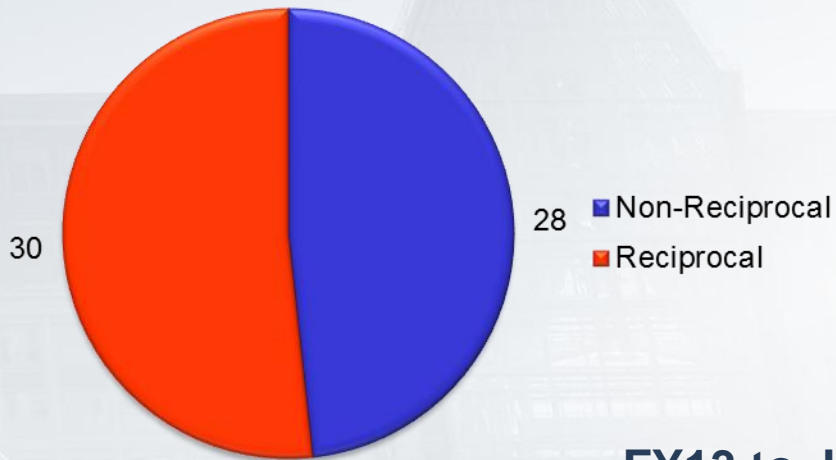
Statute of Limitations

- The Leahy-Smith America Invents Act (AIA) amended 35 U.S.C. § 32 to require disciplinary proceedings to be commenced not later than the earlier of:
 - 10 years after the misconduct occurred, or
 - One year from when the misconduct was made known to the USPTO, as prescribed in the regulations governing disciplinary proceedings.
- “Grievance” means a written submission, ***regardless of the source***, received by the OED Director that presents possible grounds for discipline of a specified practitioner. 37 CFR §11.1.

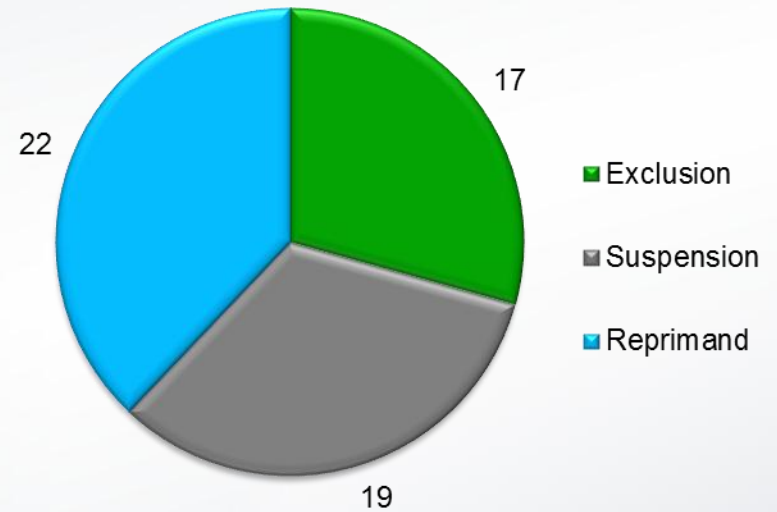


OED Disciplinary Decisions

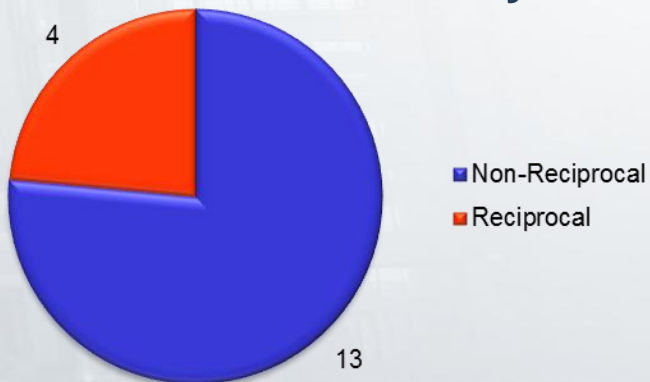
FY12 Breakdown of Reciprocal vs. Non-Reciprocal Formal Decisions



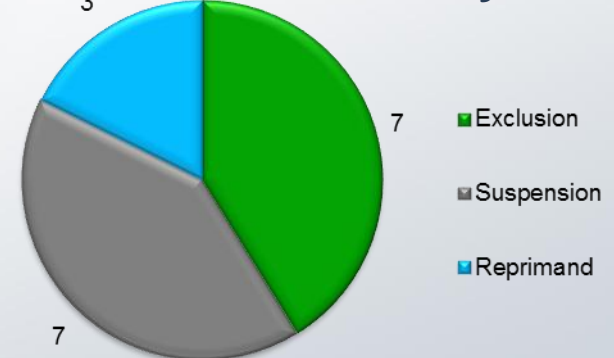
FY12 Types of Disciplinary Action



FY13 to July



FY13 to July





Letters of Warning

- Warning Letters Are Confidential and Non-Disciplinary. 37 CFR § 11.21.
- In FY 12, OED has issued 120 Warning Letters.
- In FY 13, as of July, OED has issued 90 Warning Letters.



Frequent Causes for Grievances

- Neglect
 - Failure or delay in filing patent application.
 - Failure to reply to Office actions.
 - Failure to revive or assist in reviving abandoned applications.
 - Failure to turn over files to new representative.
 - Failure to communicate with client.
 - Duty to report Office actions.
 - Duty to reply to client inquiries.



Examples of Neglect

► Less Severe

- *In re Kubler* (D2012-04)
 - Neglected to communicate with clients
 - Lacked uniform system of client notification and reply
 - **Reprimanded**
- *In re Rayve* (D2011-19)
 - Failed to notify clients of correspondence
 - Allowed applications to become abandoned
 - **Suspended for 2 years**

► More Severe

- *In re Shippey* (D2011-27)
 - Neglected multiple matters entrusted to her
 - Engaged in multiple counts of professional misconduct
 - Handled matters without adequate legal preparation
 - Failed to seek lawful objectives of client
 - Failed to carry out employment contract with clients
 - **Excluded**



Frequent Causes for Grievances (*cont'd*)

- **Dishonesty, Fraud, Deceit or Misrepresentation**
 - Concealing from client date of Office action, abandonment, and/or real reason for abandonment.
 - Misrepresenting to client status of abandoned application as pending.
 - Making false statements to USPTO in petitions to obtain extensions of time or other benefits.



Examples of Dishonesty, Fraud, Deceit or Misrepresentation

► Less Severe

- *In re Chan* (D2011-21)
 - Had clients sign oaths or declarations prior to any application preparation
 - Thus, violated oath that person reviewed application
 - **Reprimanded**
- *In re Amberly* (D2009-07)
 - Knowingly made false statements to the Virginia State Bar in connection with a disciplinary matter.
 - **Reprimanded**

► More Severe

- *In re Reardon* (D2012-19)
 - As NAPP President, he misappropriated at least \$116,894 of NAPP funds for his personal use;
 - Used NAPP credit card for personal use without authorization;
 - Submitted false annual financial reports to NAPP to conceal his conduct
 - **Excluded**
- *In re Massicotte* (D2012-22)
 - Provided Office with false or misleading information in connection with petitions to revive three abandoned TM applications
 - **Suspended for 2 years**



Examples of Dishonesty, Fraud, Deceit or Misrepresentation (*cont'd*)

► More Severe (*cont'd*)

– *In re Gaudio* (D2012-12)

- Non-registered practitioner who formed and controlled day-to-day operations of a corporation named The Inventors Network, a corporation not authorized to practice patent law.
- Knowingly allowed the corp. to file >150 patent apps with the Office that were not prepared, reviewed, or signed by a registered patent practitioner.
- **Excluded.**



Frequent Causes for Grievances (*cont'd*)

- **Fee-Related Issues**

- Repeated failure to reply to notices of missing parts of application.
- Failure to return client's advanced fees.
- Improper commingling of clients' advanced legal fees with practitioner's funds.
- Checks returned or EFTs dishonored for insufficient funds.
- Failure to disclose fee escrow and business relationship with invention development companies.



Examples of Fee-Related Issues

► Less Severe

- *In re Scott* (D2011-34)
 - Had 5 checks returned for insufficient funds
 - Agreed to new trust account with Florida bar monitoring
 - **Reprimanded**
- *In re Johansen* (D2011-35)
 - Had 2 checks dishonored for insufficient funds
 - Each to revive abandoned applications
 - But both applications not revived
 - **Reprimanded**

► More Severe

- *In re Ames* (D2011-25)
 - Abandoned applications and clients without consent
 - Failed to refund fees
 - **Excluded**
- *In re Peterson* (D2011-54)
 - Convicted of theft from client's business checking account by using a check debit card to withdraw funds and writing checks on the account without client's knowledge, permission, or consent
 - **Excluded**



Conduct that Adversely Reflects on Fitness to Practice

► *In re Tassan* (D03-10)

- Patent Attorney represented Client in opposition proceeding before the TTAB.
- After the TTAB issued a Final Decision sustaining the opposition to Client's application for registration, Attorney left voicemail messages for 3 different TTAB Administrative Judges.
- Each voicemail message contained expletives and abusive language.



Conduct that Adversely Reflects on Fitness to Practice (*cont'd*)

► *In re Tassan* (cont.)

- **Reprimanded;**
- Prohibited from in-person or telephone communication with TTAB judges for 2 years (outside of TTAB hearings); and
- Ordered to complete a course of treatment for anger management (with confirmation letter of successful completion required).



Decisions Imposing Public Discipline Available In FOIA Reading Room

- ▶ <http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>
 - ▶ In the field labeled “Decision Type,” select “Discipline” from the drop down menu.
 - To retrieve all discipline cases, click “Get Info” (not the “Retrieve All Decisions” link).
- ▶ Official Gazette for Patents
 - http://www.uspto.gov/news/og/patent_og/index.jsp
Select a published issue from the list, and click on the “Notices” link in the menu on the left side of the web page.



Contacting OED

- ▶ For Informal Inquiries, Contact OED at 571-272-4097
- ▶ THANK YOU